

**STATEMENT OF ROBERT HALL SPIERS
TO THE HOUSE COMMITTEE ON AGRICULTURE
REGARDING FEDERAL AGRICULTURAL POLICY**

Presented July 17, 2006

Chairman Goodlatte, members of the committee, my name is Robert Hall Spiers, Jr. I am a row crop producer from Southeast Virginia and have farmed full time for 32 years. My home farm has been in my family for over 125 years; I am the fourth generation to farm the land I currently own and I have a 37 year old son that is preparing to take over the operation in a few years. The history of my family as farmers in Dinwiddie County actually goes back eight generations to the 1740's. My son would be the 9th generation in a long-line of Virginians who have chosen farming as the primary means of their livelihood.

My comments today will center on some of the policies which affect me as a small commercial size row crop farmer from southeastern Virginia, with an emphasis on cotton. I produce 450 acres of cotton, 550 acres of soybeans and 55 acres of flue-cured tobacco. I am sensitive to the huge task facing the agriculture community and appreciate the different viewpoints expressed by the many segments of agriculture affected by the Farm Bill.

While my region of the state is primarily a row-crop area in which farm programs play a crucial role, I speak to you today in a part of the state where livestock production plays a predominant role. I would dare say there are fellow farmers in the Valley who may not be fully aware of the importance of cotton and farm programs to southeast Virginia. In talking to you today about farm programs, it is important to note the critical role the crops I and others produce play in maintaining a stable and affordable supply of feedstuffs for the livestock sector, both in the form of protein and energy. Commodity programs in the Farm Bill have an important and positive economic impact on the livestock sector and this should not be overlooked.

While my testimony today is a personal perspective, I would note that I currently serve as vice-chairman of the Virginia Farm Bureau Federation's cotton advisory committee and also sit on the Colonial Farm Credit's board of directors. This gives me a unique perspective regarding the needs of both a producer and a lending institution. I have been actively involved with these and other organizations for over 25 years.

There are those that believe we have a Farm Bill that needs a major overhaul. Many of these opinions have been put forward by individuals and organizations that are not directly involved in production agriculture. As a farmer, I would argue strongly that we are currently operating under a good Farm Bill that may need some modifications, but not a major rewrite.

As you can imagine, I have had experience with numerous Farm Bills over my 32 years of farming. With the longevity of my operation the first item I look for

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in a Farm Bill is stability with the ability to produce for the market. The safety net woven into the current Farm Bill gives me the ability to farm with confidence. The freedom to farm provisions give me the ability to follow the market signals as I choose the crops I grow.

Virginia has planted an estimated 100,000 acres of cotton this year. We are one of the northernmost cotton producing regions in the "cotton belt". While our acreage is small in comparison to other states in the belt, it is important to note that our crop is concentrated in only a handful of counties in southeast Virginia. The financial impact of cotton not only to the agricultural sector, but to our local businesses, is tremendous. I cannot overemphasize the economic importance of agriculture to our localities; too often this is overlooked. Cotton has helped ease the pain in our communities in southeast Virginia from a declining peanut sector in which our acreage has gone from over 70,000 acres a few years ago to an estimated 13,000 this year.

Over 300 farmers grow cotton in Virginia; this is down from over 400 a few years ago. The vast majority of these operations would be similar to mine, they are family businesses that go back several generations; many can be traced back to Colonial times. They grow a variety of crops and often raise livestock and they are a critical element in maintaining and preserving open spaces in our communities.

There are those who complain that farm program payments are going to fewer and fewer farmers in increasing amounts. What they often overlook is that structural changes are forcing farmers to increase their acreage, not to increase profitability, but to remain competitive and to offset steadily escalating costs of production which have little bearing on the price we receive for our crops. For many farmers, this is brought on more by necessity than choice. It is not difficult to understand why fewer farmers are getting more in the form of payments.

While the independence of the individual American farmer is a cornerstone of our industry, as producers of non-perishable crops we operate at the mercy of market forces and factors beyond our control that can adversely affect entire farming sectors. These include weather, trade agreements, political wrangling and posturing both here and abroad, government ag policies in other competing countries, and a multitude of other factors. This is especially true of cotton which is very much a global crop. It is grown and processed in, and transported to, virtually all corners of the world.

For decades, Americans have supported the idea that a stable domestic food and fiber production sector is a major component of our society and our economy. Affordable and safe food supply is a national necessity and should be assured. I feel the cost can surely be justified compared to the huge benefits enjoyed by the

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American public. A sound Farm Bill, such as the one we are currently operating under, is a critical piece to maintaining this stability. The Farm Bill needs design features which will protect this valuable industry.

I am aware of differing viewpoints and ideas concerning the safety net. While as an operator of farms with program crops, I receive sizable payments; these of course vary from year to year. The reality is I rent about 800 acres of my 1100 acres of crop land from over 30 different land owners and my son is involved in the operation. My point is that in many operations just as in mine, many people benefit from safety net payments beyond the named individual which receives the payment. These payments often affect decisions on whether land will remain in ag production or be sold for purposes which will remove it from production forever.

As we all know, a Farm Bill is made up of many different pieces. The commodity provisions of Title I are just one of several titles. Program crops support are dealt with in Title I. I would urge support for a continuation of the direct and counter-cyclical payments and marketing loan program as is in the current law. They have worked well for all involved across the country. These programs are not designed to guarantee profitability but instead to help protect our industry from low price cycles and provide some level of financial predictability demanded by our lenders.

There are other titles in the Farm Bill that provide support and protection both for and beyond row-crop production. These include conservation, crop insurance, market promotion, energy, and risk management training. Each of these is important to my family and my farming business as well as farmers all across the country. I would urge adequate funding to enhance program delivery and increase participation in all these areas.

I have read a lot recently about how our cotton program is causing economic harm to farmers in developing countries. However, there are a myriad of factors well beyond our farm programs that impact the economies of these countries.

On the flip side, consider the rapid, and I would say unfortunate, demise of our domestic textile industry. This has forced a major shift in how our raw cotton is consumed. We now must export over two-thirds of our production. At the same time, the United States is the largest worldwide consumer of cotton products. So while much of our crop leaves our shores for further processing, it is providing a raw material that fuels economic development and job creation in many developing countries. That cotton often returns to our stores in the form of finished goods. While we would all prefer to see a product that is "made in the USA", that imported cotton garment you purchase at your local store may very well be from cotton grown here in America.

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The freedom to farm provisions of the current Farm Bill has been a valuable asset to producers. I hope policy which gives me the ability to follow market signals as I choose the crops I grow will continue. While I would support an extension of the current Farm Bill, I know that may not be a reality. The current Farm Bill does not guarantee a profit but it has many stabilizing features which allow a producer to farm with confidence.

I have heard good people make good decisions when they have good facts. You have a challenge in crafting a bill that will stabilize agriculture as we compete in a world wide economy with rising energy cost. I urge you as members of Congress to stay the course and work with us to ensure my son and hopefully his son one day can continue to farm for many years to come.

In closing, let me just note that I have seen many changes to my family's operations over the years. With these changes, we have needed access to all of the credit and financial resources that were available. As we compete in a global economy, our needs will continue to change. The Farm Credit System has undertaken a project called Horizons in which they and others outside the system have analyzed the needs of agriculture and put forward some ideas on how the System can continue to meet those needs. I am attaching a copy of the Horizons report for your consideration as you debate the features that will need to be included next Farm Bill.

Thank you